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FINAL REPORT

Project RMIS No. 5454

New Product Development Opportunities for Irish Companies in the British Cheese Market

Ashtown Food Research Centre

RESEARCH & TRAINING FOR THE FOOD INDUSTRY

RESEARCH REPORT NO 97

NEW PRODUCT DEVELOPMENT OPPORTUNITIES FOR IRISH COMPANIES IN THE BRITISH CHEESE MARKET

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SUMMARY

The primary objective of this research was to identify innovative cheese concepts appropriate for UK consumers and suitable for Irish industry to manufacture. It also aimed to identify personal, situational and market factors that influence consumers when purchasing cheese. This research study used existing market literature, in-depth interviews and consumer focus groups.

Two rounds of consumer focus groups took place. The aim of the first round was to identify potential cheese concepts and to elicit information from consumers who tended to be more innovative food purchasers regarding their purchase behaviour, usage occasion and cheeses currently consumed by them. The aim of the second round of focus groups was to explore selected concepts identified from the first round and to elicit consumers' reactions towards these concepts.

In total, seven concepts were selected for the second round. Each concept was initially described to the respondents before the relevant storyboard was displayed. The essence of the response to each is outlined below.

Males were the more interested group in the *'Strong Cheddar with ham ingredient'* concept. If the cheese and ham were of high quality, it was felt the concept would have more potential.

The *'Hot breakfast cheese snack'* was the least popular of all the concepts. Respondents felt this snack would be over processed if it were microwaveable. They also felt the ham would be of poor quality.

The older and young male groups found the *'Hard cheese with Brie flavour'* most appealing. Versatility and convenience were the main drivers of this product and most respondents would like to try this product.

'Low fat cheese and fruit' was well received by respondents, particularly females and older groups.

'*Strong Cheddar blended with ale and mustard'* was regarded as a positive concept by all three demographic groups. Respondents saw it as a speciality product and had very specific uses in mind for it.

The '*Cheese concept with added health benefits'* had some appeal. Respondents were not prepared to pay a premium for this type of product. If the cheese could improve their health in some way, they would like it to help reduce their cholesterol or help strengthen their bones with more calcium.

The seventh concept, '*Mediterranean type cheese'* also appealed to consumers. Consumers from all demographic groups liked this Manchego-type cheese and did not object to it coming from cow's milk instead of sheep's milk. Consumers would be eager to try a cow's milk version of this type of cheese if taste and quality were not compromised.

A product derived by combining several of the concepts could be an option for manufacturers to consider. Manufacturers should also consider developing healthier, low sodium children's snacks. This could be combined with the hot breakfast product discussed above.

Respondents viewed cheese from Ireland favourably. However, they did not highlight any particular region within Ireland where they would like to see new types of cheeses developed. They like Irish Cheddar and view the image of Ireland as a cheese manufacturer positively.

Immediate concepts recommended for possible development are: '*Hard cheese with Brie flavour*', '*Low fat cheese with fruit*' and '*Strong Cheddar blended with ale and mustard*'. A cow's milk version of Manchego cheese also seems a viable and popular option to proceed with in the future.

Several of the concepts that were not brought forward for discussion in the second set of focus groups may also provide substantial market opportunities for manufacturers to develop. Most of these ideas involve only limited technical challenge, which means that food companies could develop them in the near future. Smoked cheese, an increased range of adult snack packs with new ingredients and cottage cheese with innovative additives are some examples. However, it should be noted that further market research would be required to quantify their market potential definitively.

INTRODUCTION

This research aims to identify needs of British cheese consumers which are currently unmet. The objective is to identify and evaluate innovative cheese concepts that could provide product opportunities on the British retail market. The cheeses need to be suitable for Irish industry to develop, for example in relation to the availability of manufacturing capabilities and facilities.

This report deals with the first phase of a new product development (NPD) programme for cheeses which is jointly undertaken by Ashtown Food Research Centre (AFRC), Moorepark Food Research Centre (MFRC) and University College Cork (UCC) and is supported with funding from the Dairy Levy. A final report on the technical research will be available on completion of the programme and it will include a summary of the market aspects covered by this report.

UK CHEESE MARKET

A UK market review was supplemented by interviews with key Irish and UK trade informants. It aimed to provide information to clarify the research objective for the primary consumer research.

In 2004, the UK cheese market was worth £1.83 billion consisting of approximately 359,000 tonnes. Mintel (2005) predicted that total expenditure on cheese will rise by approximately 20% from 2004 to a value of £2.3 billion by 2010. The UK is a key market for Irish cheese and Irish cheese accounted for approximately 40% of all UK imports in 2004.

Trends that influence the consumer that emerged from the review of the UK market and the industry interviews include health and wellness, convenience, indulgence, provenance, packaging and usage occasion. It is these issues that influence which cheeses are on the market at present and will influence future consumer choice. Additive type cheeses, blended cheeses, snacking cheese products, healthy cheeses and indulgent cheese products emerged from initial analysis as some of the cheese concepts that should be investigated further by product developers.

METHODS

Stage Gate and Domain Specific Innovativeness

The approach involves the Stage Gate system for innovation and the use of the Domain Specific Innovativeness (DSI) tool to measure consumer innovativeness.

A typical Stage Gate process is illustrated in Figure 1. The model divides the innovation process into five main stages: idea generation, building the business case, development, testing and launch. This research study deals specifically with idea generation, the first stage in the NPD process.

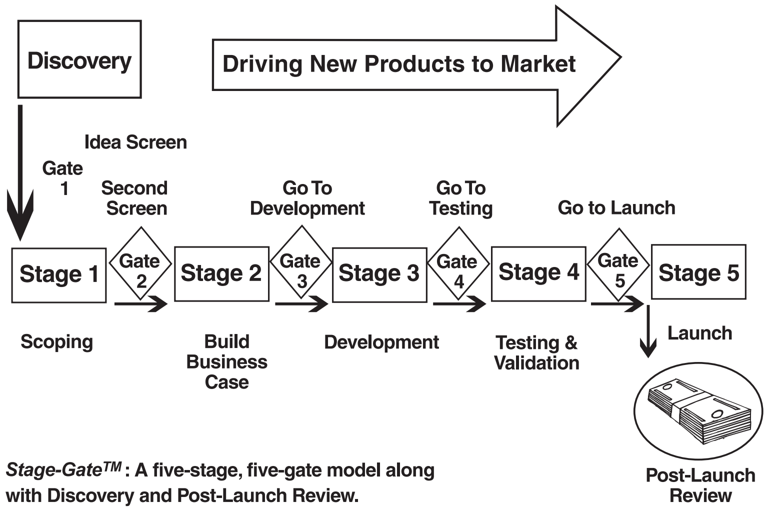

Figure 1: *An overview of a Stage Gate System (Cooper, 2002, p. 22)*

By identifying consumers' unmet needs as the starting point of NPD, products can be created or improved to satisfy consumers.

Consumer innovators have previously been identified as an important group for new product developers to target (Carter, 1998; De Marez and Verleye, 2002). Furthermore, McCarthy *et al.* (1999) suggest that identifying the individuals who are more receptive of innovations within a domain could increase the rate of adoption of new products. The Domain Specific Innovativeness (DSI) approach uses a scale developed by Goldsmith and Hofacker (1991) and enables market researchers to segment a specific domain into desired groups. The DSI scale was used to recruit consumers for the focus groups used in this study. It is a self-reported, psychological scale consisting of six statements which consumers rate based on their innovativeness. Consumers' innovativeness in the specific domain, in this case the cheese domain, can be identified. The domain being investigated for innovativeness is shown in italics.

The DSI statements are:

- In general I am among the first to buy a new *cheese* when it appears.
- If I heard there was a new *cheese* available instore, I would be interested enough to buy it.
- Compared to my friends, I do more shopping for new *cheeses.*
- If I saw a new *cheese*, I would consider buying it immediately.
- In general, I am the first in my circle of friends to know the names of the latest *cheese* on offer.
- I know more about what new *cheeses* are on offer before other people do.

The summation of the scores forms the overall DSI score. The total score on this scale varies between 6 and 30. People with a total score of between 6 and 10 are considered 'innovators', those that obtain a score of between 11 and 15 are considered 'early adopters', those between 16 and 20 are considered 'early majority', those that score between 21 and 25 are considered 'late majority' while those that score between 26 and 30 are considered 'laggards'.

The research process

Figure 2 outlines this research study's research process.

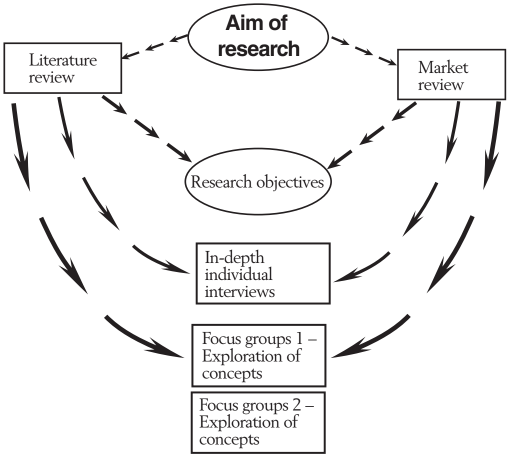

Figure 2: *Research process*

Both the findings from the market review and industry interviews provided essential information in deciding the final research objectives and consequently the most appropriate methodologies. Focus groups provide a suitable methodology for idea generation while the DSI allows recruitment of innovative consumers to participate in the focus groups.

Both existing market research and industry respondents clearly indicated that innovator consumers are important in the NPD process. They also suggested the focus groups be comprised of three demographic groups. Firstly, young time-pressured females, some with children, were suggested. Secondly, interviewing younger males as the market for 'Big Eat' innovations is increasing and cheese could become part of these innovations. Finally, the third group selected were older consumers, both males and females. Thus, participants in both rounds of consumer focus groups were recruited using the Domain Specific Innovativeness (DSI) scale and the above demographic criteria.

Focus groups round 1

The main objectives of the first round of focus groups was to identify gaps in the UK cheese market and thus identify potential cheese concepts for further investigation. Further to this, an examination of the motives underpinning the purchase of cheese was completed - in particular, the cues used to select cheeses, the usage occasions for cheese and the uses made of cheese.

Consumers in the first round were recruited based on their socio-economic background, age and gender and also on their degree of innovativeness in the DSI scale (Table 1). Each respondent purchased cheese in the previous month and consumed cheese at least twice in the previous week. Only 'innovator' and 'early adopter' consumers were recruited. This meant that the 16% of the population that are most likely to adopt a new cheese product were included.

Table 1: List of requirements for first round of focus groups

Focus group	Respondent type	Socio-economic group	Age Minimum	Age Maximum	DSI score
Pilot focus group	Mixed 3x Males 5x females	ABC1	30 years	Not above 60	6-10
Focus group 2	Older Female	ABC1	All at least 45 years	Not above 60	6-15
Focus group 3 & 4	Older, mixed gender	ABC1	All at least 45 years	Not above 60	6-15
Focus group 5	Time-pressured females Must be working part-time At least 3 must be mothers	ABC1	All at least 35 years	Not above 45 years	6-15
Focus group 6	Time-pressured female Must be working part-time All mothers	ABC1	All at least 35 years	Not above 45 years	6-15
Focus group 7 & 8	Young males Must be working	ABC1	All at least 30 years	All under 45 years	6-15

This group of 'innovators' and 'early adopters' are referred to as 'innovators' throughout this report.
Following a pilot, seven focus groups took place. There were two sessions with each demographic group, each lasting approximately two hours and consisting of about eight respondents. The first round focus group discussion was divided into four main parts; the first three were to build up a portfolio of unmet needs through recall of past experience, usage occasion discussion and cheese product samples. The first stage acted as an icebreaker and respondents were asked to describe how they use cheeses. During the second stage, the focus turned to usage occasions. The purpose of this was to further probe unmet needs and identify under-exploited usage occasions. In the third part, respondents were provided with a selection of cheese product samples that were available on the UK market in June 2005. These product samples acted as visual stimuli and were used to assist the discussion. The purpose of the final part of the discussion guide was to elaborate on any ideas for cheese concepts that respondents had mentioned throughout the session. Unmet needs and gaps in the market were discussed in this section.

Focus groups round 2
The primary objective of the second round of focus groups was to test the extent of appeal of selected innovative cheese concepts among consumers. There were six concepts identified in the initial round of focus groups that merited further investigation. A seventh concept was also discussed because Moorepart Food Research Centre is carrying out extensive research on Mediterranean type cheeses.

Consumers in the second round of groups were recruited based on their socio-economic background, age and gender and also on their level of innovativeness (Table 2). Consumption and demographic criteria groups were the same as those used in the first round.

It was necessary to test the concepts that emerged from the first round of focus groups on a more extensive range of consumers. Thus for the second round, 'innovator', 'early adopter' and 'early majority' consumers were selected for recruitment. In all, these three consumer segments constitute approximately 50% of the potential consumer base. A pilot and six other focus group sessions took place. There were two sessions with each demographic group; duration and number of participants were similar to the first set of groups.

In the second round of focus groups, respondents discussed the seven cheese concepts. Following a warming-up period, the moderator proceeded to introduce the concepts. A2 size storyboards were used as visual aids to present the idea of each product concept using images of the ingredients and also images of where the cheese would be likely to be consumed, the likely usage occasion and the type of consumer likely to use this new product. The aim of these groups was to find out how appealing consumers find these concepts and to elicit positive and negative views. With each concept, respondents were asked to discuss concept appeal, usage occasion, likelihood of purchase, frequency of purchase and any modifications they would like the product to undergo.

Table 2: List of requirements for second round of focus groups

Focus group	Respondent type	Socio-economic group	Age Minimum	Age Maximum	DSI score
Pilot focus group	Older mixed gender	ABC1	All at least 50 years	Not above 65 years	6-20
Focus groups 2 & 3	Mixed gender 3 x males minimum 3 x females minimum 3 working people minimum	ABC1	All at least 50 years	Not above 65 years	6-20
Focus groups 4 & 5	Time-pressured females Dual income household Must be mothers	ABC1	All over 30 years	Not above 45 years	6-20
Focus groups 6 & 7	Young males Dual/single income	ABC1	All over 25 years	Not above 40 years	6-20

The groups were audio-taped and the tapes subsequently transcribed. Group discussions were encoded using a software program called ‘N-vivo’ which enables coding of specific themes and observations.

FINDINGS

Factors that influence cheese purchasing and themes emerging

This research identified specific personal, situational and market factors that influence the consumer. Market data combined with in-depth interviews with key industry informants provided accurate relevant information with which to establish key influencing factors. Figure 3 illustrates these factors comprehensively. Personal, situational and market factors all influence the consumers’ requirements in a cheese. Health concerns, usage occasions, convenience, versatility, packaging and presentation, taste, pricing, household situation and past experiences all lead the consumer to identify specific attributes they require in the cheese. These include quality, texture, taste, shape, value for money, fat content, cholesterol content and calcium content. Consumers use certain cues at the cheese fixture to make the purchase by visually inspecting the product and brand, observing the country of origin, remembering past experiences and reading the label description and brand.

Taste and quality are the ultimate attributes in cheese that consumers value. In addition, ‘snackability’ and ‘ease of use’ are two key requirements when introducing new cheese products onto the market for the emerging ‘cash rich, time poor’ consumer.

Another emerging driver of this industry is consumers’ demand for indulgent products. Some consumers tend to indulge at weekends or towards the end of the day. Consumers mentioned that they viewed some cheese products, such as Brie, as indulgent and luxurious and consume them as treats. Currently, few products are aimed at this market and it represents possible opportunities for manufacturers to develop.

Most industry market informants were of the view that new products in the UK should be targeted towards sub-groups within the population such as the elderly female or the middle-aged, time-pressured female consumer market. Such sub-groups in the UK are large enough to be targeted directly. Alternatively, usage occasion was noted as a useful segmentation variable. Informants suggested that new products be aimed at particular usage occasions such as the breakfast market, adult snack market and on-the-move lunch food.

However, continuous change in the market results in changing demands from consumers. Increased lifestyle complexity, an increased number of health conscious consumers, more eating occasions due to the fragmentation of the traditional '3 meals a day' eating plan, more demand for convenient ready-to-eat products, increase in at-home entertainment, increased demand for indulgent food products are all changes in consumers' lives that manufacturers need to monitor and subsequently respond to with innovative cheese types.

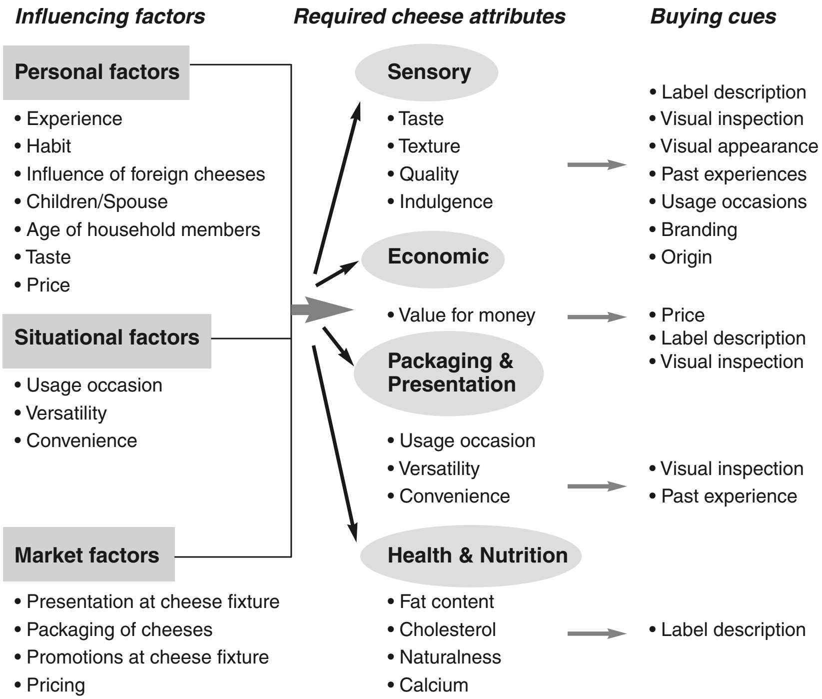

Figure 3: *Cheese purchasing decision*

Concepts were identified by each demographic group and are summarised in the following 3 tables. Table 3 illustrates concepts suitable for discussion among all demographic groups and concepts particularly highlighted by younger females or by younger males.

Table 3: Drivers, requirements and solutions across demographic groups

	Drivers	Requirement	Solution
All groups	Variety Taste	Good quality smoked cheeses	Smoked Cheddar (1) Smoked soft cheese (2)
	Indulgence Taste	Indulgence Nuts Weekend consumption Soft cheeses Combining textures	Brie and nuts (3)
	Indulgence Variety Taste	Strong Cheddar Flavours in Cheddar Type of alcohol blended into cheddar	Strong Cheddar blended with ale and mustard (4)
Taste Convenience	Two types of cheese in one format Combination of textures Combination of flavours	Hard and soft cheese (5)	
Convenience Taste Versatility	Less inedible parts on existing Brie Hard form of existing Brie	Hard, rindless Brie (6)	
Younger females	Health Taste	Good quality Low fat Added fruit Excellent taste	Low fat Cheddar with added fruit (7) Low fat cottage cheese with additives (8)
	Convenience Versatility Variety Taste	Increased variety of snack type products Increased variety of cheeses in these packs Different combinations of relishes, crackers, dried fruit etc.	Adult snack pack (9)
	Health Convenience Fun	Natural cheese types with less salt Appealing to children Preferably mild-tasting cheeses Demands brightly coloured and attractive packaging and shapes	Healthier form of children's cheese (10)
Younger males	Convenience Taste	Good quality cheese in appealing form at breakfast Hot and ready to eat in less than 2 minutes Combined with some form of meat	Hot breakfast cheese snack (11)
	Taste Variety seeking	Extra strong Cheddar Combined with some form of meat	Extra strong Cheddar with savoury additive (12)

Table 4 highlights commonality in specific themes, trends and concepts that have been identified in the market and literature review, through industry findings and through the first round of focus groups. A tick symbol (√) indicates where particular themes were noted. Some additional comments are also made regarding certain themes.

Table 4: Summary findings from initial stages

THEME	REVIEW	INDUSTRY	FOCUS GROUP 1
DEMAND FOR LOW FAT PRODUCTS	√	√	√
TASTE	The importance of taste was noted from reports but the lack of flavour from low fat cheeses was only noted during the focus groups	√	
INNOVATIVE FLAVOURS	√	√	√
PACKAGING	The extent to which consumers value packaging was not noted from reviews. However the importance of innovation through packaging was.	√	√ Fun packaging for children was highlighted as an area to develop. Waxed, transparent packaging is required by consumers
PROVENANCE	√	√ Industry highlighted this as an area increasing in importance	√ Consumers increasingly like to associate products with places
INDIVIDUALISM	√ Reports pointed out that more people are living on their own and as consumers get older, they prefer individual size portions	√	√
CONVENIENCE	√	√	√
INDULGENCE	√	√	√
BREAKFAST	√		√
	Reports stated that when compared to other European countries' consumption of cheese at breakfast, the UK was only consuming approx. half the amount of cheese as its European counterparts	Industry did not point out this as an area to develop	Consumers might consume a hot breakfast type product
SNACKING	√	√	√

From the first set of focus groups, twelve concepts were identified following the analysis of discussions with innovators. The selection of concepts for the second round of focus groups was agreed by MFRC, UCC and AFRC taking industry opinion into account. The decision to proceed with the selected concepts was based on the marketing perspective of each concept, any technical challenge the concept potentially held and how appealing the concept was for industry uptake.

Selected concepts

In total, seven concepts were selected for discussion in the second round of focus groups. Each concept was initially described to the respondents before the relevant storyboard was displayed (see figures 4-11). The responses are now briefly outlined above each storyboard.

'Strong Cheddar with ham ingredient' had limited appeal for female and older groups. Any initial interest was overshadowed by consumers expressing their concern over adding reconstituted meat to cheese. Unless the bacon or ham was off-the-bone, this concept has little potential. Respondents were suspicious with the manufacturing process of this product and therefore did not seem interested. Males were the more interested group in this concept and if the cheese and ham were of high quality, it would have more potential.

Figure 4 *'Extra strong Cheddar with savoury ingredient' storyboard*

The *hot breakfast cheese snack* was the least popular of all the concepts. Respondents felt this snack would be "over processed" if it were microwaveable. They also felt the ham would be of poor quality. They suggested that their children would like a product like this but felt it would be preferably toasted rather than microwaved. Older respondents particularly suggested that it would be something they would eat at other usage occasions throughout the day and not specifically breakfast time.

Figure 5: *'Hot breakfast cheese snack' storyboard*

The older and younger male groups found the *Hard cheese with Brie flavour* most appealing. Females expressed less interest in this cheese. Respondents found this product difficult to conceptualise. However, some respondents felt that it represented something that was currently absent in the market and could provide an area for exploitation by cheese manufacturers. Versatility and convenience were the main drivers of this product and most respondents would like to try it.

Figure 6: *'Hard cheese with Brie flavour' storyboard*

'*Strong Cheddar blended with ale and mustard'* was quite a positive concept in all three demographic groups. Respondents saw it as a speciality product and had very specific uses in mind for it. They suggested blending Guinness through Irish Cheddar represents an opportunity for Irish manufacturers. This correlates with the first round of focus groups as many innovators also suggested blending cheese with Guinness. If liked, males envisaged this product as a regular purchase.

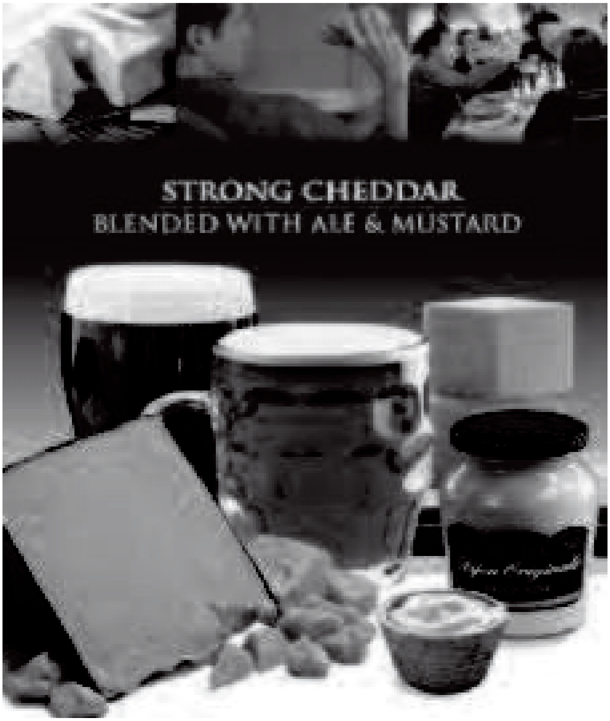

Figure 7: *'Strong Cheddar blended with ale and mustard' storyboard*

'Low fat cheese and fruit' was well-received by respondents, particularly females and older groups for whom combining fruit with cheese had appeal. However, males were not attracted to the low fat element of this product. Females expressed concerns over quality, technical feasibility and the safety of such a product. However, if these were overcome, this concept appears to have potential. The product should be full flavoured unlike existing varieties of low fat cheeses. Consumers would see this product as a regular purchase.

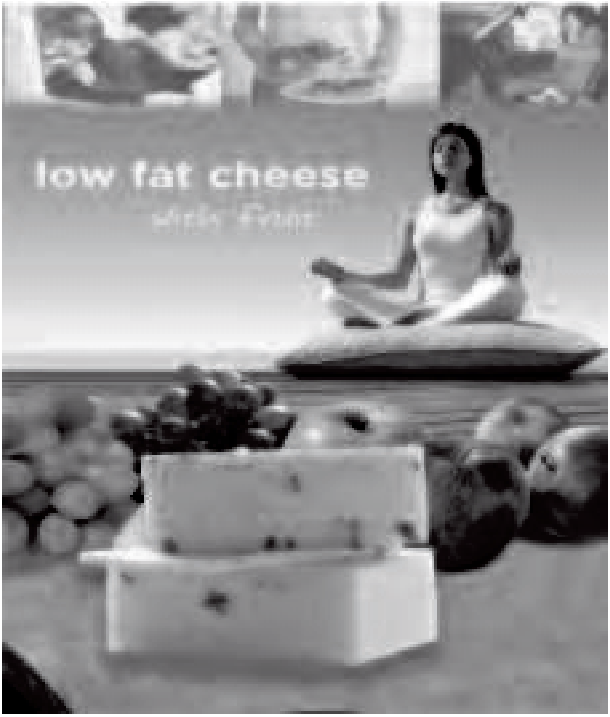

Figure 8: *'Low fat cheese with fruit' storyboard*

The '*Cheese concept with added health benefits*' had some appeal. However, consumers purchase cheese for taste rather than health benefits. They were not prepared to pay a premium for this type of product as they feel it is unlikely they eat enough cheese for it to make a difference to their health. If the cheese could improve their health in some way, they would like it to help reduce their cholesterol or strengthen their bones with more calcium. Both the female and older groups suggested this.

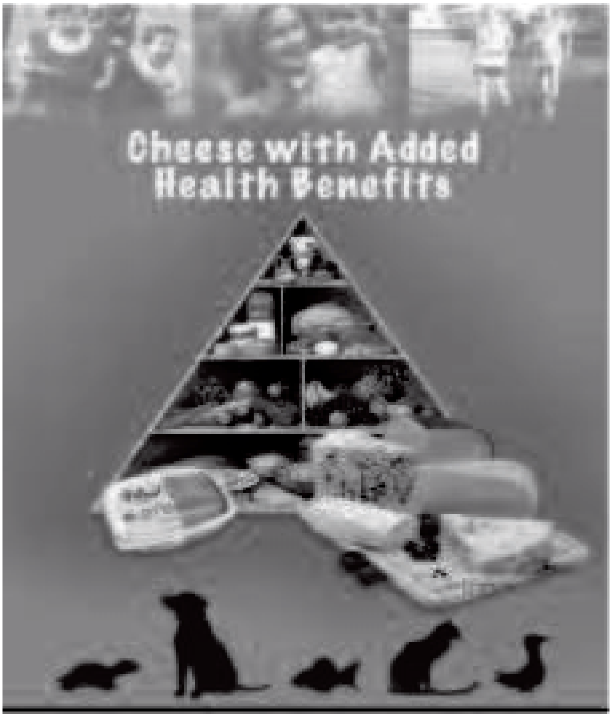

Figure 9: *'Cheese with added health benefits' storyboard*

Mothers would like to see more natural cheeses available for their children. The general consensus was that respondents see cheese as a healthy food but if they needed to reduce their cholesterol or their fat intake they would eat less full-fat cheese.

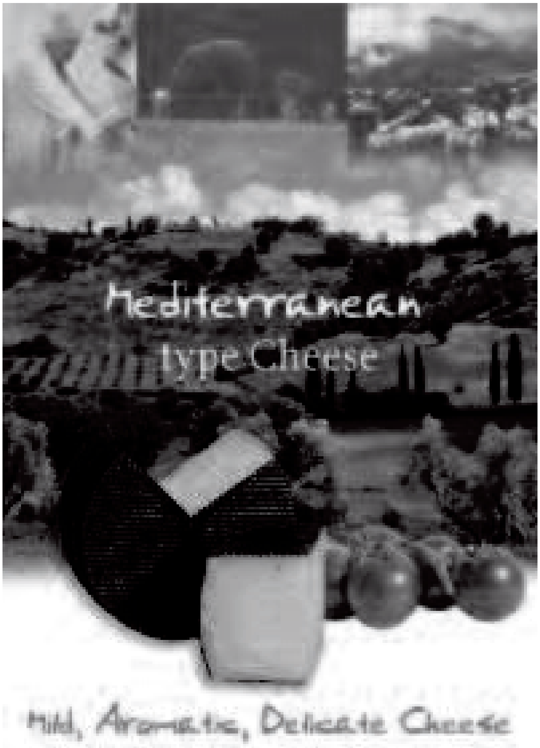

Figure 10: *"Mediterranean type cheese' storyboard*

The seventh concept, *Mediterranean type cheese,* also appealed to consumers. Consumers from all demographic groups liked this Mediterranean 'Manchego type' cheese and did not object to it coming from cow's milk instead of the more traditional sheep's milk. Industry pointed out that sheep and goat's milk cheese are other key areas with rising consumption figures, thereby highlighting potential opportunities with these types of cheeses. These findings suggest that a Manchego type cheese may be worthwhile for manufacturers to develop. Consumers are eager to try a cow's milk version of this type of cheese if taste and quality were not compromised.

A product derived through combining several of the concepts could also be an option for manufacturers to consider. Perhaps manufacturers should consider developing healthier, low sodium children's snacks. This could be combined with the hot breakfast product discussed above.

Respondents viewed cheese from Ireland favourably. However, they did not highlight any particular region within Ireland where they would like to see new types of cheeses developed. They like Irish Cheddar at present and view the image of Ireland as a cheese manufacturer positively.

Table 5 illustrates views on the point-of-purchase of each cheese within the retail store, suggested variations of the product and overall acceptance of the product by each demographic group. As expected, each demographic group showed tendencies to prefer different concepts. These acceptance levels are based on a 1-5 star rating constructed by the research team based on respondents' reactions and discussion on each concept. One star (*) denotes little/no acceptance from respondents, 3 star (***) denotes medium acceptance from respondents and 5 star (*****) denotes high acceptance from respondents.

Table 5: Point of purchase, suggested variations and overall acceptance of selected products

Product	Point of purchase	Suggested alternatives	Acceptance
Strong Cheddar & ham ingredient	'Taste and Discovery' segment at cheese fixture	Strong Cheddar and bacon ingredient	Females * Males *** Older *
Hot breakfast snack	With chilled ready made meals & sandwiches or at forecourts	Various types of Italian breads or pastries	Females * Males *** Older *
Hard Brie	Pre-packed fixture with Cheddar cheese segment	Additives including nuts, chives, garlic and grapes as flavour variations of Hard Brie	Females *** Males *** Older ***
Ale & mustard Cheddar	Deli counter Or 'Taste and Discovery' segment at cheese fixture	Ale and Cheddar, Mustard and Cheddar, Cider, port, wine and Cheddar	Females *** Males ***** Older ***
Low fat cheese with fruit	Health segment at pre-packed cheese fixture	Low fat Cheddar and grape or apple Cottage cheese and grape or apple	Females ***** Males * Older ***
Cheese with added health benefit	Health segment at pre-packed cheese fixture	Cheese with added calcium, Healthier children's cheese, Full flavoured low fat cheese	Females *** Males * Older ***

DISCUSSION

Market data, industry interviews and focus groups all indicated that a more educated, travelled UK consumer with increasingly sophisticated tastes is emerging. This consumer now expects his or her food products to offer greater satisfaction in terms of quality and safety. They demand a high quality product which is value for money. Consumers are more impulsive and tend to plan many meals while shopping.

Industry respondents identified three main markets for development. These are: the strong Cheddar cheese market, soft continental cheese market and semi-hard cheeses. Other areas that industry stressed as potential areas to research and develop were blue cheeses, additive type cheeses and blended cheeses. These findings were confirmed during the focus group discussions. Segmentation of the cheese fixture completed by Dairy Crest (2003) highlighted growth areas in the adult snack market, children's cheeses and in 'Taste and Discovery' type cheeses. However, caution has to be taken regarding what blends and additives are used.

There are manufacturing difficulties associated with the production of 'soft cheese with nuts'. Nuts are a problem in processing plants owing to allergens and the bacteria they would bring to cheese. Combining an additive in a cheese is a difficult technical process. Furthermore, soft cheese production in Ireland is limited due to seasonality of supply and because of the short shelf-life of these products. However, as consumers have shown a preference for nuts to be added to cheese products, manufacturers should consider this as an area to investigate further.

UK innovators are interested in a greater variety of cheeses from additional countries including Ireland. They frequently made reference to the vast range of cheeses available on the continent. More variety in terms of innovative flavour combinations and texture combinations is required. Innovators in all demographic groups in the UK demand stronger flavours in cheese.

Innovators expressed their dissatisfaction with existing cheese packaging. Transparent, resealable (preferably 'zip lock') packaging is sought. In addition, they would like their cheese wedge shaped and wrapped in waxed paper instead of shrink wrapped paper. Individual portions are becoming increasingly popular among UK consumers.

The groups that included early majority consumers found it more difficult to conceptualise certain concepts that were less innovative. This is probably because they are less likely to take risks. Furthermore, they like to see a product in use and therefore find it difficult to imagine non-existing products, even though variations of many of the discussed products are available on the market.

Some usage occasions have been found to represent a potential opportunity for manufacturers to develop products. One of the reasons for low consumption of cheese in the UK is low breakfast consumption, as it only represents 5% of cheese usage occasions. Findings from the first round of focus groups highlighted a possible opportunity for a hot breakfast cheese product. Following discussion of this concept during the second round of focus groups, respondents expressed concerns regarding this product's quality and safety and agreed that a cheese product would not suit UK consumers for breakfast. Ironically, they will however consume cheese for breakfast while abroad.

Both groups are keen to see manufacturers introduce innovative variations of Cheddar. This fits well with current processing capability in the Irish industry as most cheese is produced in cheddar plants.

Findings from both rounds indicate that respondents believe existing low fat cheeses are poor quality. Opportunities exist for manufacturers to develop a full-flavoured, low fat cheese. If these products are lower in fat, it is likely they are lower in cholesterol which appeals to consumers. Many find cottage cheeses bland and boring. This represents another key area for companies to work on and develop innovative, exciting cottage cheeses.

Respondents were suspicious of added ingredients such as fruit and meat and expressed concern regarding the quality and safety of such products. This explained why respondents were negatively disposed towards the 'Extra strong Cheddar with savoury ingredient' added. Respondents were somewhat less suspicious of fruit being added to cheese as they felt it would improve the flavour of low fat or mild-flavoured cheese. Similarly, concern was expressed over the quality of the hot breakfast snack product as they felt it would be over processed if it were microwaveable. Consumers are increasingly demanding more natural products with less salt, colourings and preservatives. Research by Datamonitor (2004) indicated that microwaveable products that can be consumed on-the-move are most likely to be successful in the future.

UK respondents want healthier, natural, children's cheeses. This was highlighted in both rounds of focus groups. They would like an increased range of natural cheese products to be available but yet be equally appealing to children. They would also like to see some cheeses with extra calcium available.

Ireland, as the largest exporter of cheese to the UK and as a country of origin, was viewed favourably by UK consumers. They see Irish cheese as a quality product and if it compared on price and taste with existing UK cheeses, they would have no problem purchasing the Irish option. However, UK industry respondents indicated that they were encouraged by organisations to stock British products as much as possible and to avoid primarily stocking foreign or Irish products. This finding suggests that while consumers seem content to purchase Irish products, the products might not always be available in stores for purchase.

Following analysis of the two rounds of consumer focus groups, manufacturers can further evaluate the information and the opportunities presented by the UK cheese market. Variations of many of the concepts discussed already exist in some markets. However, drawing on the experiences of UK consumers, they have shown a keen interest to see new variations of existing products and this research aims to highlight the areas that manufacturers should develop so that the market can grow to its full potential. However, consumers would reject 'me-too' products and stress that variations of flavours and textures are required, not exactly the same products. Although it is desirable that new product concepts fit into the existing Irish manufacturing plant structures, market opportunities suggest a form of restructuring within the industry may be necessary in the future to meet changing consumers' demands.

CONCLUSION

New cheese product opportunities for Irish manufacturers have been identified by analysing the discussions of two rounds of consumer focus groups. There are a number of concepts consumers would like to see developed further based on their unmet needs and existing requirements from the UK cheese market.

From the concepts discussed in the second round of focus groups, products that merit further investigation and development are: 'Hard cheese with Brie flavour', 'Strong Cheddar blended with ale and mustard' and 'Low fat cheese and fruit'. These were the most appealing concepts for a majority of respondents. However, the market success of such products depends on taste and high quality, which were previously identified as the most important attributes of cheese.

RECOMMENDATIONS

- From the twelve concepts identified from the first round of focus groups, six were selected for discussion among respondents during the second round of focus groups. Some of these concepts were recommended for further development by technical colleagues at MFRC. Immediate concepts recommended for possible development are: 'Hard cheese with Brie flavour', 'Low fat cheese with fruit' and 'Strong Cheddar blended with ale and mustard'. A cow's milk version of Manchego cheese also seems a viable and popular option with which to proceed in the future.

- Manufacturers need to investigate the process of incorporating additives in cheese and evaluate whether nuts are a viable option to include in this process.
- At a later stage of development, consumer taste panels in the UK will be needed to provide consumer feedback before cheeses are produced at commercial level.
- Several of the concepts that were not brought forward for discussion in the second set of groups may provide substantial market opportunities for manufacturers to develop. Most of these ideas required little technical challenge, which means that food companies could take-up these concepts in the near future. Smoked cheese, an increased range of adult snack packs with new ingredients and cottage cheese with innovative additives are some examples.
- A detailed investigation focusing on Ireland as country of origin is a likely area for future marketing research based on this research study. By eliciting further information from UK retailers and organisations and subsequently comparing it to information elicited from a UK consumer survey, much valuable information would be gathered regarding Ireland as country of origin. It will highlight areas within the Irish food industry, in both manufacturing and marketing divisions, which require attention to further promote Ireland as a high quality country of origin. This would be of benefit to semi-state organisations such as Bord Bia and the Irish Dairy Board as the research would most likely portray Ireland in a positive light.

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